

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03720A
Water Utility of Northern Scottsdale, Inc
3800 N. Central Ave., Suite 770
Phoenix, AZ 85012

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
-----------	-----------	-------------

RECEIVED

APR 18 2005

AZ Corporation Commission
Director Of Utilities

FOR COMMISSION USE

ANN04	04
--------------	-----------

COMPANY INFORMATION

Company Name (Business Name) Water Utility of Northern Scottsdale, Inc.

Mailing Address 3800 N. Central Ave. Suite 770

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

602-224-0711

Telephone No. (Include Area Code)

602-224-5455

Fax No. (Include Area Code)

602-725-0889

Pager/Cell No. (Include Area Code)

Email Address jmihlik@qwest.net

Local Office Mailing Address 401 E. Jackson Ave.

(Street)

Buckeye

(City)

AZ

(State)

85326

(Zip)

623-386-4252

Local Office Telephone No. (Include Area Code)

623-386-6638

Fax No. (Include Area Code)

623-764-1952

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: John Mihlik President

(Name)

(Title)

3800 N. Central Ave. Suite 770

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

602-244-0711

Telephone No. (Include Area Code)

602-224-5455

Fax No. (Include Area Code)

602-725-0889

Pager/Cell No. (Include Area Code)

Email Address jmihlik@qwest.net

On Site Manager: Jack Meister

(Name)

401 E. Jackson Ave.

(Street)

Buckeye

(City)

AZ

(State)

85326

(Zip)

623-386-4252

Telephone No. (Include Area Code)

623-386-6638

Fax No. (Include Area Code)

623-764-1952

Pager/Cell No. (Include Area Code)

Email Address jack@vwc.phxcoxmail.com

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: John F. Goodson
(Name)
2025 N. 3rd St. Phoenix AZ 85004
(Street) (City) (State) (Zip)
602-252-5110 602-257-1883 602-252-5823
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: Bill Sullivan
(Name)
2712 N. 7th St. Phoenix AZ 85006
(Street) (City) (State) (Zip)
602-248-0372 602-266-8290
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Water Utility of Northern Scottsdale, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	27,877	0	27,877
304	Structures and Improvements	20,000	333	19,667
307	Wells and Springs	130,000	2,165	127,835
311	Pumping Equipment	179,610	11,226	168,384
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	182,972	2,031	180,941
331	Transmission and Distribution Mains	437,238	4,372	432,866
333	Services	12,821	213	12,607
334	Meters and Meter Installations	2,520	144	2,376
335	Hydrants	34,000	340	33,660
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,027,038	20,824	1,006,214

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Water Utility of Northern Scottsdale, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2) SLHY	Depreciation Expense (1x2)
301	Organization		0%	
302	Franchises		0%	
303	Land and Land Rights	27,877	0%	
304	Structures and Improvements	20,000	3.33%	333
307	Wells and Springs	130,000	3.33%	2,165
311	Pumping Equipment	179,610	12.50%	11,226
320	Water Treatment Equipment		3.33%	
330	Distribution Reservoirs and Standpipes	182,972	2.22%	2,031
331	Transmission and Distribution Mains	437,238	2.00%	4,372
333	Services	12,821	3.33%	213
334	Meters and Meter Installations	2,520	8.33%	144
335	Hydrants	34,000	2.00%	340
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,027,038		20,824

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 2,433	\$ 4,077
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	0	839
146	Notes/Receivables from Associated Companies	14,739	20,999
151	Plant Material and Supplies		
162	Prepayments	0	277
174	Miscellaneous Current and Accrued Assets	196	7,396
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 17,368	\$ 33,588
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,095	\$ 1,027,038
103	Property Held for Future Use		
105	Construction Work in Progress	1,024,033	0
108	Accumulated Depreciation – Utility Plant	0	(20,824)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1,025,128	\$ 1,006,214
	TOTAL ASSETS	\$ 1,042,496	\$ 1,039,801

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	240	1,620
236	Accrued Taxes		87
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	123	1,573
	TOTAL CURRENT LIABILITIES	\$ 363	\$ 3,280
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	1,026,974	1,030,088
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 1,026,974	\$ 1,030,088
	TOTAL LIABILITIES	\$ 1,027,337	\$ 1,033,368
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,000	\$ 2,000
211	Paid in Capital in Excess of Par Value	131	0
215	Retained Earnings	13,028	4,433
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 15,159	\$ 6,433
	TOTAL LIABILITIES AND CAPITAL	\$ 1,042,496	\$ 1,039,801

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 3,108	\$ 14,262
460	Unmetered Water Revenue		
474	Other Water Revenues	157	880
	TOTAL REVENUES	\$ 3,265	\$ 15,142
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		3,534
618	Chemicals		
620	Repairs and Maintenance	274	100
621	Office Supplies and Expense		609
630	Outside Services	922	2,064
635	Water Testing	360	769
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	195	455
403	Depreciation Expense		20,824
408	Taxes Other Than Income		
408.11	Property Taxes		11
409	Income Tax	530	(4,629)
	TOTAL OPERATING EXPENSES	\$ 2,281	\$ 23,738
	OPERATING INCOME/(LOSS)	\$ 984	\$ (8,596)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	20,000	0
426	Miscellaneous Non-Utility Expenses	(7,000)	0
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 13,000	\$ 0
	NET INCOME/(LOSS)	\$ 13,984	\$ (8,596)

COMPANY NAME

Water Utility of Northern Scottsdale, Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$6,968

Meter Deposits Refunded During the Test Year

\$647

COMPANY NAME

Water Utility of Northern Scottsdale, Inc.

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-565172 (Granite Mtn.)		80	1,000	8	2	2001
55-586186 (Granite Mtn.)		80	1,000	8	2	2002
55-583777 (Rio Mtn.)	New-Inactive			8		2004

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
	2	20	
	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250,000	1	5,000	1

COMPANY NAME

Water Utility of Northern Scottsdale, Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	
3	PVC	
4	PVC	
5		
6	PVC	
8	PVC	
10	PVC	
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	15
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME:

Water Utility of Northern Scottsdale, Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLON PUMPED (Thousands)
JANUARY	4	13	56
FEBRUARY	6	13	23
MARCH	7	58	226
APRIL	8	154	337
MAY	9	227	229
JUNE	11	115	110
JULY	13	328	562
AUGUST	13	167	192
SEPTEMBER	14	415	550
OCTOBER	14	620	852
NOVEMBER	14	361	444
DECEMBER	15	223	254
TOTAL		N/A	3,835

Is the Water Utility located in an ADWR Active Management Area (AMA)?☒ (X) Yes☐ () No**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**☐ () Yes☒ (X) No**If yes, provide the GPCPD amount:** _____ - _____**What is the level of arsenic for each well on your system.** see below mg/l*(If more than one well, please list each separately.)*

ADWR #55-565172 (Granite Mtn.) .006 mg/l

ADWR #55-586186 (Granite Mtn.) <.002 mg/l

ADWR #55-583777 (Rio Mtn.) .002 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Water Utility of Northern Scottsdale, Inc. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 11

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Water Utility of Northern Scottsdale, Inc. YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>11,430</u>
Estimated or Actual Federal Tax Liability	<u>1,715</u>

State Taxable Income Reported	<u>12,287</u>
Estimated or Actual State Tax Liability	<u>856</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/14/05

DATE

J. John Mihlik

PRINTED NAME

President

TITLE

RECEIVED

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

APR 18 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
J. John Mihlik
COMPANY NAME
Water Utility of Northern Scottsdale, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 16,062

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 920
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
602-224-0711
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

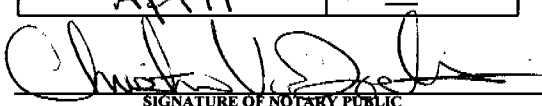
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF



CHRISTINA VAN GOETHEM
Notary Public - Arizona
Maricopa County
Expires 10/31/06

MY COMMISSION EXPIRES 10/31/06

COUNTY NAME	Maricopa	
MONTH	April	2005
 SIGNATURE OF NOTARY PUBLIC		

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

APR 18 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Maricopa		
NAME (OWNER OR OFFICIAL)	J. John Mihlik	TITLE	President
COMPANY NAME	Water Utility of Northern Scottsdale, Inc.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

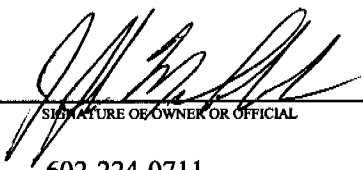
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 16,062

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 920
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SIGNATURE OF OWNER OR OFFICIAL
602-224-0711

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF




MY COMMISSION EXPIRES

CHRISTINA VAN GOETHEM
Notary Public - Arizona
Maricopa County
Expires 10/31/06

10/31/06

NOTARY PUBLIC NAME <u>Christina Van Goethem</u>	
COUNTY NAME Maricopa	
MONTH <u>April</u>	20 <u>05</u>

X 

SIGNATURE OF NOTARY PUBLIC

Water Utility of Northern Scottsdale
Balance Sheet
December 31, 2004

ASSETS

PROPERTY, PLANT & EQUIPMENT	\$	1,027,038.12
Construction in Progress		0.00
Accumulated Depreciation		(20,824.28)

TOTAL PROPERTY, PLANT & EQUIP.		1,006,213.84
---	--	---------------------

CURRENT ASSETS

Cash	4,077.11
Accounts Receivable	838.75
Materials & Supp Inventory	0.00
Prepaid Expense	276.91

TOTAL CURRENT ASSETS	5,192.77
-----------------------------	-----------------

OTHER ASSETS

Restricted Cash	0.00
Deferred Income Tax	7,396.00
Deposits	0.00
Inter-Co Receivable	20,998.55
Investments	0.00

TOTAL OTHER ASSETS	28,394.55
---------------------------	------------------

TOTAL ASSETS	\$	1,039,801.16
---------------------	-----------	---------------------

Unaudited

Water Utility of Northern Scottsdale
Balance Sheet
December 31, 2004

STOCKHOLDER'S EQUITY & LIABILITIES

STOCKHOLDER'S EQUITY

Common Stock	\$ 2,000.00
Additional Paid in Capital	0.00
Retained Earnings	13,028.84
Net Income	(8,596.22)

TOTAL STOCKHOLDER'S EQUITY	6,432.62
-----------------------------------	-----------------

LONG-TERM DEBT

TOTAL LONG-TERM DEBT	0.00
-----------------------------	-------------

CURRENT LIABILITIES

Account Payable	0.00
Customer Security Deposits	1,620.00
Current Portion of Meter Dep	0.00
Current Portion of AIAC	873.30
Accrued Sales & Use Tax	86.90

TOTAL CURRENT LIABILITIES	2,580.20
----------------------------------	-----------------

DEFERRED LIABILITIES

Meter Dep. (Net of C/P)	6,967.50
Inter-Co Payable	0.00
AIAC (Net of C/P)	1,023,820.84

TOTAL DEFERRED LIABILITIES	1,030,788.34
-----------------------------------	---------------------

**TOTAL STOCKHOLDER'S EQUITY
& LIABILITIES**

\$ 1,039,801.16

Water Utility of Northern Scottsdale
Income Statement
For the Twelve Months Ending December 31, 2004

	<u>Current Month</u>	<u>Year to Date</u>
Water Sales	\$ 1,356.00	\$ 14,262.00
Other Operating Revenue	42.95	879.76
TOTAL OPERATING REVENUE	1,398.95	15,141.76
OPERATING EXPENSE		
Purchased Power	281.82	3,534.41
Repairs & Maintenance	0.00	100.00
Water Testing & Treat.	94.00	769.00
Outside Services	0.00	655.80
Management Fees	165.00	1,408.00
General Office & Admin.	21.20	574.35
Communications	0.00	35.00
Depreciation	1,735.43	20,824.28
Rate Case Expense	0.00	0.00
Regulatory/Permits	0.00	455.46
Property Taxes	0.00	10.68
Income Tax Expense	(4,629.00)	(4,629.00)
TOTAL OPERATING EXPENSES	(2,331.55)	23,737.98
EARNINGS (LOSS) FROM OPERATIO	3,730.50	(8,596.22)
OTHER INCOME (EXPENSE)		
Interest Income	0.00	0.00
Amortization	0.00	0.00
Other Income (Expense)	0.00	0.00
Income (Tax) Benefit	0.00	0.00
TOTAL OTHER INCOME (EXPENSE)	0.00	0.00
NET EARNINGS (LOSS)	\$ 3,730.50	\$ (8,596.22)

Unaudited

Water Utility of Northern Scottsdale
Statement of Cash Flow
For the twelve Months Ended December 31, 2004

	<u>Current Month</u>	<u>Year to Date</u>
NET EARNINGS (LOSS)	\$ 3,730.50	\$ (8,596.22)
CASH FLOWS FROM OPERATING ACTIVITIES		
Depreciation & Amort.	1,735.43	20,824.28
Accounts Receivable	(409.58)	(838.75)
Prepaid Expense	0.00	(276.91)
Deferred Income Taxes	(7,200.00)	(7,200.00)
Accounts Payable	0.00	0.00
Intercompany Payable	(1,427.63)	0.00
Intercompany Receivable	5,740.41	(6,259.59)
Accrued Liabilities	(22.20)	8.95
TOTAL ADJUSTMENTS	(1,583.57)	6,257.98
NET CASH FROM OPERATIONS	2,146.93	(2,338.24)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(1,425.00)	(1,909.84)
NET CASH FOR (USED) IN INVESTING	1,425.00	1,909.84
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing	0.00	0.00
Restricted Cash	0.00	0.00
Shares Issued	0.00	0.00
Paid In Capital	(130.58)	(130.58)
AIAC	0.00	(45.11)
Proceeds from Sec. Deposits	0.00	1,380.00
Proceeds from Meter Deposits	570.00	4,687.50
CASH PROVIDED FOR FINANCING	439.42	5,891.81
NET CASH FLOW	1,161.35	1,643.73
Summary		
Cash Balance at End of Period	4,077.11	4,077.11
Cash Balance at Beg. of Period	2,915.76	2,433.38
Net Increase <Decrease> in Cash	\$ 1,161.35	\$ 1,643.73

Unaudited

PARCEL/ACCOUNT # 219-40-111 2

MARICOPA COUNTY
TREASURER

DOUG TODD, TREASURER
 301 W JEFFERSON ST - RM 100
 PHOENIX, AZ 85003-2199
<http://treasurer.maricopa.gov>
 PHONE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION

SEC/LOT TWN/BLK RNG/TRS

GRANITE MOUNTAIN RANCH UNIT 1 MCR 544-41

MARICOPA COUNTY 2004 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR
 IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK
 FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

252 643 *****AUTO**5-DIGIT 85012
 WATER UTILITY OF NORTHERN SCOTTSDALE INC
 8800 N CENTRAL AVE STE 770
 PHOENIX, AZ 85012-1913

P A D

LIMITED (PRIMARY) VALUES						PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY
TYPE	LIMITED	%	ASSESSED					RATE / 100	2004 AMT DUE	
LAND/BLDG PERSONAL EXEMPTION		473	16.0		76	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	.83 .33	12108 04560	.92 0.35	PRTKEY=85012 SEQ= 85291 MTG= LOAN/#
PRIM. TOT.	473				76		1.36 .66	18931 9211	1.44 .69	
AREA CODE 000000						SUBTOTAL	3.16	44810	3.40	TAX AMOUNT 3.80
FULL CASH (SECONDARY) VALUES						SECONDARY				
TYPE	FULL CASH	%	ASSESSED							
LAND/BLDG PERSONAL EXEMPTION		500	16.0		80	FLOOD CAWCD OVERRIDES FIRE DIST. ASST. LIBRARY "BONDS" -COUNTY -CITY -SCHOOLS -COMM COL.	.16 .10 .04 .05 .11 .46	2118 1200 0069 0521	.16 .10 .04	DUE OCT. 1, 2004 DELINQUENT AFTER NOV. 1, 2004
SEC. TOT.	500				80	SUBTOTAL		1181 5070	.10 .40	
SPECIAL DISTRICT (VALUE/ACRES/50 FT) * ASSESSED						DIST #				INTEREST ON LATE PAYMENT IS 16% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS § 42-18053
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT							3.64	TOTALS	\$3.80	KEEP THIS PORTION FOR YOUR RECORDS

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and
 will make other reasonable accommodations upon request.

(49695 = PRTCNLT)

PARCEL/ACCOUNT # 219-40-248 8



MARICOPA COUNTY TREASURER

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
<http://treasurer.maricopa.gov>
PHONE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION
SEC/LOT TWN/BLK RNG/TRS

GRANITE MOUNTAIN RANCH UNIT 2 REPLAT MCR 586-1B

MARICOPA COUNTY 2004 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

252 643 *****AUTO**5-DIGIT 85012
WATER UTILITY OF NORTHERN SCOTTSDALE INC
3800 N CENTRAL AVE STE 770
PHOENIX, AZ 85012-1913

PAID

LIMITED (PRIMARY) VALUES					PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY	
TYPE	LIMITED	%	ASSESSED				RATE / 100	2004 AMT DUE		
LAND/BLDG PERSONAL EXEMPTION		424	16.0		68	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	.75 .29	12108 04560	.82 0.31	PRTKEY=85012 SEQ= 85292 MTG= LOAN#=#
PRIM. TOT.		424			68		1.22 .58	18931 19211	1.28 .63	
AREA CODE 000000					SUBTOTAL	2.84		44810	3.04	TAX AMOUNT 3.44
FULL CASH (SECONDARY) VALUES					SECONDARY					
TYPE	FULL CASH	%	ASSESSED		FLOOD CAWCD OVERRIDES FIRE DIST. ASST LIBRARY "BONDS" -COUNTY -CITY -SCHOOLS -COMM COL SUBTOTAL					DUE OCT. 1, 2004 DELINQUENT AFTER NOV. 1, 2004
LAND/BLDG PERSONAL EXEMPTION		500	16.0							
SEC. TOT.		500			80	.04 .05 .11 .46	0069 0521	.04 .10 .40		INTEREST ON LATE PAYMENT IS 16% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS § 42-18053
SPECIAL DISTRICT (VALUE/ACRES/60 FT) - ASSESSED					DIST#					
										KEEP THIS PORTION FOR YOUR RECORDS
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT						3.90	TOTALS	\$3.44		

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(49696 = PRTCNL)

PARCEL/ACCOUNT# 219-40-255 2

**MARICOPA COUNTY
TREASURER**

DOUG TODD, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199
http://treasurer.maricopa.gov
PHONE NUMBERS ON OTHER SIDE

PROPERTY DESCRIPTION

SEC/LOT TWN/BLK RNG/TR E

GRANITE MOUNTAIN RANCH UNIT 1 LOTS 7 45 TRACTS C
S D REPLAT MCR 566-21

MARICOPA COUNTY 2004 PROPERTY TAX STATEMENT

NOTICE: SEE REVERSE SIDE FOR
IMPORTANT INFORMATION.

\$25.00 CHARGE IF CHECK
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

PAID

252 643 *****AUTO**5-DIGIT 85012
WATER UTILITY OF NORTHERN SCOTTSDALE INC
3800 N CENTRAL AVE STE 770
PHOENIX, AZ 85012-1913

LIMITED (PRIMARY) VALUES				PRIMARY	COMPARATIVE 2003 AMT	2004 DISTRIBUTION		OFFICE USE ONLY		
TYPE	LIMITED	%	ASSESSED			RATE / 100	2004 AMT DUE			
LAND/BLDG PERSONAL EXEMPTION		424	16.0		68	COUNTY EDUC. EQUAL CITY SCHOOL CO. EDUC COMM. COL.	.75 .29 1.22 .58	12108 04560 18931 9211	.82 0.31 1.28 .63	PRTKEY=85012 SEQ= 85293 MTG= LOAN#
PRIM. TOT.		424			68					
AREA CODE 000000				SUBTOTAL	2.84	44810	3.04	TAX AMOUNT 3.44		
FULL CASH (SECONDARY) VALUES				SECONDARY						
TYPE	FULL CASH	%	ASSESSED	SECONDARY						
LAND/BLDG PERSONAL EXEMPTION		500	16.0							
SEC. TOT.		500			80	SUBTOTAL				
SPECIAL DISTRICT (VALUE/ACRES/GO FT) = ASSESSED				DIST #						INTEREST ON LATE PAYMENT IS 16% PER YEAR PRORATED MONTHLY AS OF THE FIRST DAY OF THE MONTH. ARS § 42-18053
F NOT PAID BY DELINQUENT DATES: CALL OR WRITE FOR INTEREST AMOUNT					3.90	TOTALS	\$3.44	KEEP THIS PORTION FOR YOUR RECORDS		

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and
will make other reasonable accommodations upon request.

(40697 = PRTCNLT)